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APR 19 1993

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Policies and Rules)
Implementing the Tele-)
phone Disclosure and)
Dispute Resolution Act)

CC Docket No. 93-22

COMMENTS OF SPRINT

Respectfully submitted,

SPRINT CORPORATION

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April 19, 1993

SUMMARY

Sprint Corporation submits its comments to the Notice of Proposed Rulemaking, Order and Notice of Inquiry released March 10, 1993 in CC Docket No. 93-22 ("NPRM"). The NPRM proposed rules and regulations for pay-per-call services in compliance with Congress' direction to the Commission in the Telephone Disclosure and Dispute Resolution Act ("TDDRA").

Sprint advocates a clearer definition of "presubscription or comparable arrangement." The Commission also does not need to prescribe specific tariff language for termination provisions. Sprint agrees with the Commission's proposal that all pay-per-call services should be offered through the 900 service access code. Sprint does not believe any distinction can be made between interstate and intrastate pay-per-call services, however there is a distinction between interLATA and intraLATA pay-per-call services. Sprint suggests that all intraLATA pay-per-call services be offered through the 976 office code. Finally, Sprint is opposed to a system that would assign different office codes to different categories of pay-per-call services.

Sprint supports the Commission's proposal to prohibit the interruption of service as well as disconnection for an end user's failure to pay a pay-per-call charge. However, Sprint

advocated that the proposed rule be modified to prohibit a carrier from knowingly interrupting or disconnecting service.

Sprint does not believe existing technology supports a requirement of blocking of specific pay-per-call services. Sprint Supports a requirement that LECs tariff the rates and regulations application to end user blocking and requests the Commission to also require tariffed procedures for the LECs to impose involuntary blocking on end users who refuse to pay valid pay-per-call charges.

Sprint supports the recovery of the incremental costs of complying with the TDDRA through a 900 access surcharge. However, Sprint opposes any requirement that additional information, such as the name and address of pay-per-call providers, be included on the end user's bill.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Policies and Rules)	CC Docket No. 93-22
Implementing the Telephone)	RM-7990
Disclosure and Dispute)	
Resolution Act)	

COMMENTS OF SPRINT

Sprint Corporation ("Sprint"), on behalf of Sprint Communications Company L.P. and the United and Central Telephone companies,¹ hereby submits its comments to the Notice of Proposed Rulemaking, Order, And Notice of Inquiry, FCC 93-87, released March 10, 1993 ("NPRM").

I. INTRODUCTION

The NPRM was issued in response to the Telephone Disclosure

1. Carolina Telephone & Telegraph Co., United Telephone - Southeast, Inc., United Telephone Company of the Carolinas, United Telephone Company of Southcentral Kansas, United Telephone Company of Eastern Kansas, United Telephone Company of Kansas, United Telephone Company of Minnesota, United Telephone Company of Missouri, United Telephone Company of Texas, Inc., United Telephone Company of the West, United Telephone Company of Florida, The United Telephone Company of Pennsylvania, United Telephone Company of New Jersey, Inc., United Telephone Company of the Northwest, United Telephone Company of Ohio, United Telephone Company of Indiana, Inc., Central Telephone Company, Central Telephone Company of Florida, Central Telephone Company of Illinois, Central Telephone Company of Virginia, and Central Telephone Company of Texas.

Sprint advocates a clearer definition of "presubscription or comparable arrangement." As Sprint recently pointed out in its comments filed on this issue with the Federal Trade Commission ("FTC"), "pay-per-call" services, as defined in the Communications Act (47 U.S.C. Section 228), do not include "service for which users are assessed charges only after entering into a presubscription or comparable arrangement with the provider of such service" (Sprint's FTC Comments, attached hereto, at 4). The definition of "presubscription or comparable arrangement" is therefore critical to a determination of which services must comply with the proposed pay-per-call regulations.

Neither the statute nor the FCC has proposed or adopted a definition for "presubscription or comparable arrangement," although the Commission has stated its view that a "presubscription arrangement encompasses only those agreements made by subscribers prior to initiation of a call" (NPRM at 4, fn. 5). The FTC has proposed a definition in Section 308.2(e).³

Sprint's comments on the proposed FTC rules noted that the term "contractual agreement" remains undefined, except for the provision that it must be established "prior to the initiation of the pay-per-call service." It is unclear, therefore, what

3. The FTC's Section 308.2(e) reads: Presubscription or comparable arrangement means a contractual agreement established prior to the initiation of a pay-per-call service between a provider of pay-per-call services and a consumer. No action taken by the consumer during the course of a call to a pay-per-call services can be construed as creating such a contractual agreement.

exactly would constitute a "contract" sufficient to provide an exception to the pay-per-call rules. Sprint therefore suggested to the FTC an explicit definition of "presubscription of comparable arrangement" as follows:

Presubscription or comparable arrangement means a pre-existing business relationship which is established between the customer and the provider prior to the initiation of a call to the provider for which a per-call or per-time-interval charge is assessed greater than, or in addition to, the charge for the transmission of the call. Prior to the initiation of such call, the provider must identify its name and address, must furnish a telephone number which the customer of the rates for service, and must promise to notify the customer of future rate changes. No action taken by the consumer during the course of a call to a pay-per-call service can be construed as creating a presubscription or comparable arrangement.

Sprint also encourages the FCC to adopt this definition. Because the establishment of a "presubscription or comparable arrangement" is not a step to initiating a pay-per-call service, but rather a step to exempting the service from the pay-per-call category, "pay-per-call" should not be used in the definition. Rather, Sprint suggests that it would be clearer to refer to the service as one for which the per-call or per-time-interval charge is greater than, or in addition to, the charge for transmission of the call. Providers of such services should be required to state their name, address and a telephone number to be used by consumers seeking additional information or desiring to register complaints. Providers also should inform customers of the applicable rates for such services, and promise to notify the customer of future rate changes.

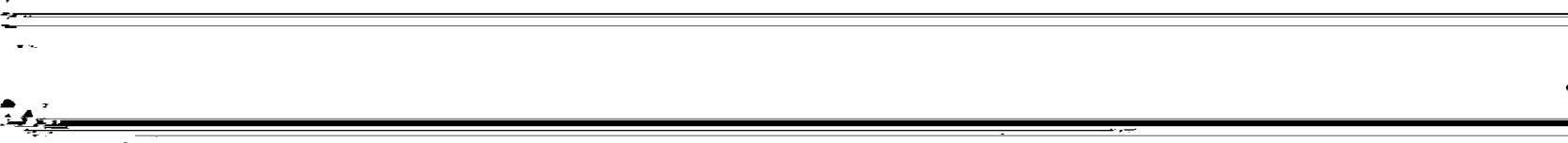




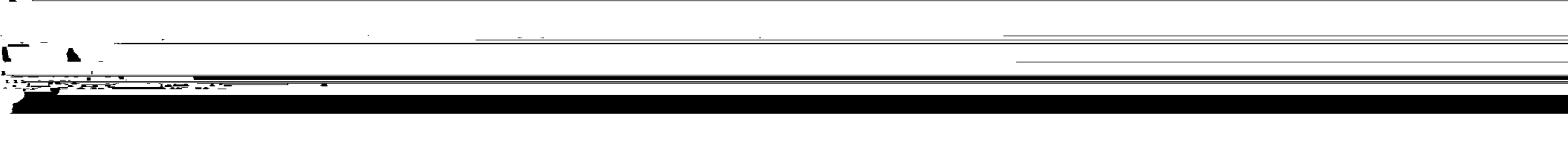

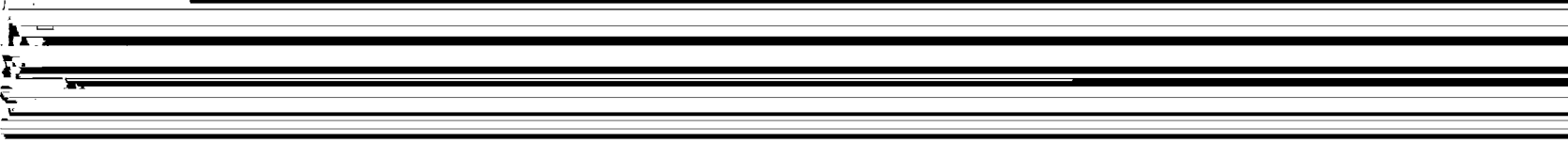

Adoption of such a rule would promote the public interest, because it would clearly outline which services were subject to the "presubscription or comparable arrangement" provision of the rules, while protecting consumers from services for which they

tariff). The difficulty for the Commission, if it determined it should attempt to develop specific language or procedures for universal application, would be how to address the individual termination procedures already in place. Such established procedures are most certain to be more well-developed and quicker to implement than any newly devised procedures. Therefore, carriers should be afforded the flexibility to implement disconnection procedures in accordance with tariffs currently filed (or if such provisions have not already been filed, in accordance with provisions each carrier will file following the adoption of an Order in this proceeding).

Sprint agrees with the Commission that termination procedures should occur promptly after the carrier is made aware that a violation has occurred or may be occurring. However, if a violation is discovered, Sprint respectfully submits that the violator should be notified promptly, in accordance with usual tariff notice procedures, and terminated. The NPRM references "a short period during which the IP may respond to a carrier's written notification of planned termination" (at 5, para. 10). Carriers should be allowed the flexibility to develop their own internal procedures for disconnecting the customer once an internal investigation shows a violation. The FCC should not mandate a "response period" for the tariff violators after notice

of disconnection for noncompliance has been given, but rather should allow carriers to develop their own procedures to promptly disconnect non-compliant customers once a violation has been shown. Whether or not a "response period" is necessary should be left to the discretion of carriers, who can determine whether or not a response from the customer is necessary to determine whether a violation has occurred.

Receipt of a complaint is the primary method carriers have of determining whether violations have occurred. In determining



Sprint agrees with the FCC proposal that all pay-per-call services should be offered through a particular SAC or, as appropriate, a particular office code. Sprint believes this to be one of the best ways to minimize customer confusion over the nature of the service the customer is calling and should thereby result in a decrease in customer complaints.

However, Sprint believes there is a problem with the Commission's suggestion that interstate and intrastate

translation on 900-NXX and determines which IXC to hand the call
off to. The 6 digit translation does not provide the information

provide the customer with the nature of the service being called, Sprint believes that a great number of categories, and resulting office codes, would be necessary. This great number of categories would actually serve to confuse the consumer or, at best, provide meaningless information because the different codes would become too difficult to track.

Furthermore, assigning categorized office codes for pay-per-call services dialed through the 900 SAC is complicated due to the 6 digit translation that the LEC utilizes to deliver the call to the appropriate IXC. With 6 digit translation, specific office codes are assigned to specific IXCs. Each IXC therefore would have to have different offices codes for each of the pay-per-call categories. In other words 1-900-234 might be adult-oriented assigned to carrier A and 1-900-235 adult-oriented assigned to carrier B, and so on. The morass of NXX numbers that would be required to identify both the appropriate carrier and the category that the pay-per-call service belongs to would be so complex as to become meaningless to the customer.

Finally, Sprint does not believe a reasonable procedure can be developed to handle the designation of particular pay-per-call services as fitting within particular categories. Sprint does not believe common carriers have the resources or expertise to perform this function. The designation could be left to the

unscrupulous pay-per-call providers. There is no reason to believe that, left to their own devices, such unscrupulous providers would not seek to manipulate the categorization process to their benefit.

V. 800 NUMBERS AND COLLECT CALLS

The Commission proposes that common carriers prohibit the use of an 800 number in a manner that results in the calling party being assessed a charge for the call, being connected to a pay-per-call provider, being charged for information conveyed

pay-per-call service. Thus, there will be no way of knowing that a pay-per-call service was provided or that the Act has been violated.

VI. INTERRUPTION OR DISCONNECTION

The Commission proposes to extend the prohibition of disconnection of local and long distance service for non-payment of pay-per-call services to the interruption of local and long distance service. Sprint supports the Commission's proposal, subject to one modification. As noted above, the common carrier will not know when a pay-per-call service is being provided through an 800 number or a collect call until such time as a customer complains. Once the carrier is aware of the problem it can certainly undo any steps it has already taken toward disconnection or interruption, but not until it knows the problem exists. Accordingly, Sprint suggests suggests that proposed rule 64.1507 be modified by the addition of "knowingly" as follows:

the feasibility of blocking only specific pay-per-call services. Finally, the Commission seeks comments on whether LECs should be required to tariff the rates and regulations governing end user blocking and whether a dual federal/state tariffing procedure is workable.

Consistent with the Commission's existing rule 64.713, the United and Central LECs offer one time free blocking to all 900 services to residential customers. Blocking is generally

equipment, the LECs must be allowed to recover the costs incurred for the purchase and installation of the new equipment needed to comply.

However, the United and Central LECs do not currently offer blocking of specific pay-per-call services, nor does Sprint believe such a service is currently feasible. The technology necessary to deploy such functionality is not available.

As noted above, and as the Commission itself recently determined, the LEC originating a 900 call cannot distinguish between an intrastate and interstate 900 call.⁸ Accordingly, a dual federal/state blocking regime would not be workable. Rather, one set of rules must be imposed on all pay-per-call services.

Sprint believes that LECs should be required to tariff the rates and regulations applicable to end user blocking. Furthermore, Sprint believes that rather than simply allowing LECs to impose involuntary blocking on customers who refuse to pay for legitimate pay-per-call charges, LECs should be required to tariff such involuntary blocking, free of charge. Sprint believes such a requirement is necessary and is the most effective means to stop those few customers who knowingly use pay-per-call services with no intention to pay for those services.

8. See note 3 supra.

VIII. COST RECOVERY

The TDDRA permits common carriers to recover the costs of compliance with the statute. The Commission recognizes that such costs include costs associated with free blocking, information dissemination programs, billing procedures, and refund requirements. The Commission seeks comment on whether carriers will be able to separately identify these costs and whether incremental or fully distributed costs should be recovered. The Commission also requests comments on several alternative recovery mechanisms.

Sprint believes that compliance costs can be sufficiently identified and believes that incremental cost is the appropriate standard. One such cost would be, if the Commission orders blocking from all central offices, the cost of equipping analog switches for blocking. Another would be refunds required of a carrier in situations where the carrier cannot recover the refund from a bankrupt, out-of-business, or missing pay-per-call provider.

Other costs will vary depending on the Commission's final regulations. For instance, the costs of blocking will vary by the technology and equipment in place, as well as by the type of blocking services the Commission decides to implement.

Sprint believes that such cost should be recovered from the cost causer -- the pay-per-call provider. However, since most LECs do not have a direct business relationship with pay-per-call providers, Sprint believes that a surcharge on 900 access will be the most appropriate and efficient cost recovery mechanism. The 900 access purchasers can then pass this surcharge on to the pay-per-call providers.

IX. DISCLOSURE AND DISSEMINATION OF PAY-PER-CALL INFORMATION

Proposed rule 64.1509(a) requires any common carrier assigning a telephone number to a provider of pay-per-call services to make certain information about the pay-per-call services it carries available upon request. As the Commission notes, this requirement is very similar to the Commission's existing Rule 64.712.⁹ However, the Commission notes that under the existing rules, "A carrier may engage another entity such as a service bureau to fulfill this obligation."¹⁰ Sprint believes proposed rule 64.1509(a) should explicitly allow common carriers

9. See NPRM at par. 32.

10. Id.

to fulfill their obligation through another entity. Accordingly, Sprint proposes that 64.1509(a) be modified as followed:

(a) Any common carrier assigning a telephone number to a provider of pay-per-call services shall, either directly or through contract with another entity, make readily available, at no charge, to Federal and State agencies and all other interested persons [the information required to be provided].

X. BILLING AND COLLECTION OF PAY-PER-CALL CHARGES

For each pay-per-call charge the TDDRA requires that the following information be included on the bill: (1) the date, time and duration of the call; (2) the amount of the charge; and (3) a description of the service. The Commission seeks comment on whether additional information such as the name and other information about the pay-per-call provider should be included on the bill.

Sprint opposes any requirement that additional information be provided on the the bill. LEC billing systems have limits on the amount of information that can be placed on the bill. Modifications to these billing systems are generally costly and time consuming. Given the other avenues provided by the Commission's proposed rules that make available information about the pay-per-call provider, Sprint does not believe any additional bill disclosures are warranted.

XI. CONCLUSION

Sprint endorses the goals of the TDDRA and the Commission's proposed rules. There are many legitimate and valuable pay-per-call services -- services that the public wants and are willing to pay for. However, in order for these services to thrive, the unscrupulous pay-per-call provider must be deterred. Sprint believes the Commission's proposed rules, modified as suggested above, should provide such deterrence.

Respectfully submitted,

SPRINT CORPORATION

By Vernon E. Tucker, W(PD)

STAMP & RETURN

Before the
FEDERAL TRADE COMMISSION
Washington, D.C. 20580

Proposed Telephone)
Disclosure Rules, 16)
CFR Part 308)
Trade Regulation Rule)
Pursuant to the Telephone)
Disclosure and Dispute)
Resolution Act of 1992)

FTC File No. R311011

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April 12, 1993

Before the
FEDERAL TRADE COMMISSION
Washington, D.C. 20580

Proposed Telephone)	
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CFR Part 308)	
)	
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COMMENTS OF SPRINT

Sprint Corporation ("Sprint"), on behalf of the United and Central Telephone companies,¹ and Sprint Communications Company L.P. hereby respectfully submits its comments in response to the Notice of Proposed Rulemaking released March 10, 1993 ("NPRM"). The United and Central Telephone companies ("United") are Local Exchange Carriers ("LECs"). Sprint Communications Company L.P. ("SCC") is an Interexchange Company ("IXC").

I. INTRODUCTION

Sprint has long been concerned about the abusive nature of certain pay-per-call services and the complaints that they

1. Carolina Telephone & Telegraph Co., United Telephone - Southeast, Inc., United Telephone Company of the Carolinas.